

Message Text

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44

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 OMB-01 TRSE-00 SP-02

L-03 H-02 IO-11 /049 W

----- 004630

R 071317Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1459

UNCLAS CARACAS 0159

E.O. 11652: N/A

TAGS: EAIR, EFIN, VE

SUBJ: DIRECT SUBSIDY TO NATIONAL AIRLINES

1. BY PRESIDENTIAL DECREE NO. 1.334 OF DECEMBER 16, 1975, TO BE EFFECTIVE JANUARY 1, 1976, ALL VENEZUELAN AIRLINES HAVE BEEN INCLUDED IN THE BENEFITS TO BE DERIVED FROM THE EXPORT INCENTIVES LAW OF SEPTEMBER 26, 1973.

2. ACCORDING TO THE DECREE, AIRLINES MAY RECEIVE A REIMBURSEMENT SUBSIDY FROM THE GOV IN BONDS OR FREELY NEGOTIABLE DOCUMENTS FOR THE NATIONAL VALUE ADDED ON PASSENGER TICKETS SOLD ABROAD, EXCESS BAGGAGE COSTS AND AIRFREIGHT TRANSPORTED FROM ABROAD TO VENEZUELA, SCHEDULED SERVICE AS WELL AS CHARTER OR SPECIAL FLIGHTS BEING INCLUDED. INCLUDED IN THE BENEFITS ARE ALSO REIMBURSEMENT FOR DOMESTIC EXPENDITURE DERIVED FROM COMMERCIAL AGREEMENTS OR POOL OPERATIONS WITH OTHER FOREIGN AIRLINES.

3. ACCORDING TO THE EXPORT INCENTIVES LAW, THE EXPORT SUBSIDY MAY RANGE 1 PERCENT TO 100 PERCENT OF DOMESTIC VALUE ADDED. AIRLINES IN ORDER TO REQUEST THE SUBSIDY MUST PRESENT A "DECLARATION OF SERVICES" INSTEAD OF AN EXPORT MANIFEST AS PRESCRIBED BY THE EXPORT INCENTIVES LAW.

4. THERE IS NO FORMULA INCORPORATED IN THE DECREE ESTABLISHING A BASIS FOR CALCULATING "NATIONAL VALUE ADDED" OR THE "DOMESTIC

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EXPENDITURES".

5. A COPY OF THE DECREE IS BEING POUCHED.
SHLAUDEMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, AIRLINES, EXPORT SUBSIDIES, INCENTIVES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA00159
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760005-0592
From: CARACAS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760180/aaaactos.tel
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: castelsl
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUN 2004
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Review Exemptions: n/a
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DIRECT SUBSIDY TO NATIONAL AIRLINES
TAGS: EAIR, EFIN, VE, NATIONAL AIRLINES
To: STATE
Type: TE
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